

# Modoc Local Agency Formation Commission

## REGULAR MEETING AGENDA

Website: [www.modoclafco.org](http://www.modoclafco.org)

Tuesday December 11, 2018 – 4:00 PM

City Council Chambers  
Alturas City Hall  
200 North Street, Alturas, CA 96101

**1. Call to order / Pledge of Allegiance**

Commissioners

Alternate Members

Jim Irvin, City Member, Chair  
Ned Coe, County Member  
Richard Read, Public Member  
Mark Steffek, City Member  
Kathie Rhoads, County Member  
LAFCO Staff  
John Benoit, Executive Officer  
Scott Browne, LAFCO Counsel  
Jackie Froeming, Clerk

Richard Read, Public Member Alt.  
Geri Byrne, County Member Alt.  
Cheryl Nelson, City Member Alt.

**2. Approval of the Agenda (Additions and Deletions)**

**3. Election of a Vice-Chair to fill an unexpired term ending June 30, 2018**

*a) Election of a Vice-Chair for a term ending June 30, 2018*

**4. Correspondence**

**5. Consider Minutes for the October 9, 2018 LAFCo meeting**

*a. Approve minutes from the October 9<sup>th</sup> 2018 LAFCo Meeting*

**6. Public Comment**

This is the time set aside for citizens to address the Commission on any item of interest to the public that is within the subject matter jurisdiction of the Commission. For items that are on the agenda, public comment will be heard when the item is discussed. If your comments concern an item that is noted as a public hearing, please address the Commission after the public hearing is opened for public testimony. The Chair reserves the right to limit each speaker to three (3) minutes. Please understand that by law, the Commission cannot make decisions on matters not on the agenda.

**7. Authorize payment of Claims for October 2018 and November 2018**

- a. *Authorize payment of claims for October 2018 and November 2018.*

**Action Items:**

**8. Status of the Daphnedale CSD dissolution and consider the repeal of LAFCo Resolution 2018-0001 (Continued from the August and October 2018 LAFCo meetings.**

- a. *Consider repeal of LAFCo initiated resolution 2018-0001 calling for LAFCo to initiate proceedings for the dissolution of the Daphnedale CSD as a quorum of the Board of Directors has been established.*

**9. Update regarding the Lassen Modoc Flood Control and Water Conservation District (LMCFCWCD– Service Review (MSR) and Sphere of Influence (SOI)**

- a. *Review Third Draft Lassen LAFCo Memo regarding changes to the LMCFCWCD MSR and SOI and provide comments to Lassen LAFCo (Lassen County being the principal County) regarding this MSR and SOI*

**10. Hold General Discussion regarding LAFCo's Jurisdiction and Districts subject to LAFCo's review - "definition of a district" and "change of organization"**

**11. Hold General Discussion regarding Municipal Service Reviews: Purpose, intent and content of Service Reviews.**

**12. Review and Discuss letter from the State Controller's Office regarding the Dissolution of the Canby Community Services District as being an "inactive" district. Review the process set forth in SB 244 and mandated actions for LAFCo.**

**13. Set Regular Meeting Schedule for calendar year 2019.**

- a) *Set regular meeting schedule for calendar year 2019*

**14. Executive Officer's Report:**

- a. *Surprise Valley Hospital District*

**15. Commissioner Reports - Discussion**

*This item is placed on the agenda for Commissioners to discuss items and issues of concern to their constituency, LAFCO, and legislative matters.*

**16. Adjourn to the next regular meeting 4:00 PM on February 12, 2019**

*Any member appointed on behalf of local government shall represent the interests of the public as a whole and not solely the interest of the appointing authority Government Code Section 56325.1*

*The Commission may take action upon any item listed on the agenda. Unless otherwise noted, items may be taken up at any time during the meeting.*

Public Comment

Members of the public may address the Commission on items not appearing on the agenda, as well as any item that does appear on the agenda, subject to the following restrictions:

- Items not appearing on the agenda must be of interest to the public and within the Commission's subject matter jurisdiction.
- No action shall be taken on items not appearing on the agenda unless otherwise authorized by Government Code Section 54954.2 (known as the Brown Act, or California Open Meeting Law).

Public Hearings

Members of the public may address the Commission on any item appearing on the agenda as a Public Hearing. The Commission may limit any person's input to a specified time. Written statements may be submitted in lieu of or to supplement oral statements made during a public hearing.

Agenda Materials

*Materials related to an item on this agenda submitted to the Commission after distribution of the agenda are available for review for public inspection in the Modoc County Planning Department office located at 203 W. 4<sup>th</sup> Street, Alturas CA. [such documents are also available on the Modoc LAFCO website ([www.modoc.lafco.ca.gov](http://www.modoc.lafco.ca.gov)) to the extent practicable and subject to staff's ability to post the documents prior to the meeting]*

Accessibility

An interpreter for the hearing-impaired may be made available upon request to the Executive Officer 72 hours before a meeting.

The location of this meeting is wheelchair-accessible.

Disclosure & Disqualification Requirements

Any person or group of persons acting in concert who directly or indirectly contribute \$1,000 or more in support of or in opposition to a change of organization or reorganization that has been submitted to Modoc LAFCO must comply with the disclosure requirements of the Political Reform Act of 1974 applicable to local initiative measures to be submitted to the electorate. These requirements contain provisions for making disclosures of contributions and expenditures at specified intervals; they may be reviewed at Government Code §§56700.1 and 81000 *et seq.* Additional information about the requirements pertaining to local initiative measures to be presented to the electorate can be obtained by calling the Fair Political Practices Commission at (916) 322-5660. A LAFCO Commissioner must disqualify herself or himself from voting on an application involving an "entitlement for use" (such as an annexation or sphere amendment) if, within the last twelve months, the Commissioner has received \$250 or more in campaign contributions from the applicant, any financially interested person who actively supports or opposes the application, or an agency (such as an attorney, engineer, or planning consultant) representing the applicant or an interested party. The law (Government Code Section 84308) also requires any applicant or other participant in a LAFCO proceeding to disclose the contribution amount and name of the recipient Commissioner on the official record of the proceeding. Contact LAFCO Staff LAFCO staff may be contacted at (530) 233-9625 or by email at [j.benoit4@icloud.com](mailto:j.benoit4@icloud.com) Copies of reports to the extent feasible are located on the LAFCO webpage at: [www.modoclafco.org](http://www.modoclafco.org)

**Local Agency Formation Commission of Modoc County  
Meeting Minutes  
October 9, 2018**

**1. Call to Order/Pledge of Allegiance**

Chair Irvin called the meeting to order at 4:00 p.m., in the City Council Chambers, Alturas City Hall. Commissioner Irvin, Commissioner Rhoads, Commissioner Coe, and Commissioner Read were present. Commissioner Steffek was absent.

Staff Present: John Benoit, Executive Officer (EO) and Jackie Froeming, Clerk.

Pledge of Allegiance

**2. Approval of Agenda (Additions and Deletions)**

Commissioner Rhoads made the motion to approve the agenda as presented; seconded by Commissioner Coe. In favor were Commissioners Rhoads, Irvin, and Coe.  
Motion passed Unanimous.

**3. Selection of the Public Member and Public Member Alternate for a term expiring in May 2022**

Motion made by Commissioner Rhoads and Seconded by Commissioner Coe to select Richard Read as the new Public Member and Marie Neer as the Public Member, Alt.  
In favor were Commissioners Rhoads, Irvin, and Coe.  
Motion passed Unanimous.

**4. Correspondence - None**

**5. Consider Minutes for August 14 , 2018**

Commissioner Rhoads made the motion to approve the minutes; seconded by Commissioner Read.  
In favor were Commissioners Rhoads, Irvin, Read, and Coe.  
Motion passed Unanimous.

**6. Public Comment –**

Doreen Smith Powers commented on concerns that water districts are not following the Brown Act. She commented that in her opinion, notices are not going out, and people are not being properly informed and/or notified about what is happening in their districts and when meetings are being held. Ms. Powers wants to be sure proper notifications are completed and that people who want to be involved have that opportunity.

Executive Officer Benoit commented that there are only certain districts that are subject to LAFCo jurisdiction due to her concern about the Brown Act not being followed. He commented that the Integrated Regional Water Management Plan is a consortium and run by a committee.

**7. Authorize Payment of Claims for August 2018 and September 2018**

Commissioner Rhoads made the motion to approve authorization of claims; seconded by Commissioner Read.

In favor were Commissioners Rhoads, Irvin, Read, and Coe.

Motion passed Unanimous.

**Public Hearing**

**8. Public Hearing regarding an update to LAFCo's Conflict of Interest Code and consider Resolution 2018-0004.**

Executive Officer Benoit introduced the public hearing and provided a background. Since a Deputy Executive Officer was appointed last year, the Conflict of Interest Code needs to be updated. He provided to the Commission a copy of Resolution 2018-004 to adopt the updated conflict of interest code.

The Public Hearing was opened at 4:15pm.

The Public Hearing was closed at 4:20pm.

There was no public comment from attendees.

Commissioner Coe made the motion to approve Resolution 2018-004; seconded by Commissioner Read. The Clerk initiated a Roll Call Vote.

In favor were Commissioners Coe, Rhoads, Read, and Irvin. Commissioner Steffek was absent.

Motion passed Unanimous.

**Action Items:**

**9. Status of Daphnedale CSD dissolution and consider the repeal of LAFCo Resolution 2018-001.**

Commissioner Irvin requested that this item be tabled until the December 11, 2018 meeting. He would like to have the County provide a status report.

Commissioner Rhoads asked Executive Officer Benoit if he would be contacting Stephanie Wellemeyer.

Executive Officer Benoit responded that he would try to contact Stephanie regarding the request from the Commission to get a status update and report on this special district.

**10. Continued discussion, update regarding the Surprise Valley Health Care District and consider directing staff to prepare a MSR for services provided by the Surprise Valley Hospital (Healthcare) District as well as a Sphere of Influence update.**

Executive Officer Benoit clarified that LAFCo's role is providing service reviews to districts under their jurisdictions. Part of the service reviews is to determine the Sphere of Influence. If you want to dissolve or expand a district, it has to be supported by the findings in the Sphere of Influence (SOI). He reported that is very hard to dissolve a district with outstanding debt and obligations to a community. Usually in these types of a situation, a successor agency would have to be appointed. Once a service review is completed LAFCo takes the information obtained and

determine whom the best service provider. If they are under performing, the recommendation may be to merge with another district or dissolution.

Executive Officer Benoit would like to reach out to the district and request information. If they do not provide the requested information, LAFCo will need to move ahead to the next level.

Commissioner Read would like to see the initial contact made and see if the district will provide the requested information.

Executive Officer Benoit said the other option would be for LAFCo to complete a MSR special study. It is up to the Commission to decide what actions they would like taken.

The Commission would like to initiate the contact to request information and have Executive Officer Benoit update them at the next meeting.

**11. Update regarding the Lassen Modoc Flood Control and Water Conservation District (LMCFCWCD – Service Review (MSR) and Sphere of Influence (SOI))**

Executive Officer Benoit provided a copy of a memo that will be presented to Lassen LAFCo at their next meeting. This memo discusses the changes to the LMCFCWCD MSR and SOI since August. Executive Officer Benoit reviewed information on the memo and discussed the contents.

**12. Discussion regarding the Calafco Annual Conference October 2-5, 2018.**

Executive Officer Benoit reported on this conference, which was held in Yosemite. He attended sessions on Service Reviews. He reported that the original intent of these reviews are morphing into something else in other Counties. Currently in the law, it says a service review should be done every five (5) years “as necessary”. At this conference, there was discussion on changing these reviews to every eight (8) years “as necessary”. Additional discussion talked about removing the “as necessary”. If this were to happen, LAFCo’s budget would drastically increase. In Modoc County with the exception of SVHCD, there has not been much change over the last five (5) years.

Executive Officer Benoit reported he led a session on Natural Disasters. He discussed his project that included dealing with getting people from Southern CA and Northern CA together for a panel on fires and flooding. Using some of these Natural Disasters to provide a role for LAFCo. He had a project in Cog Mountain in Lake County. This project consisted of consolidating nine water districts into one due to a fire. Customers were reduced to a third so LAFCo completed this change of organization. This was project of the year at Calafco.

All Calafco presentations are posted online and Executive Officer Benoit will send out a copy of the agenda to the Commissioners. He also provided a copy of The Sphere, which is Calafco’s quarterly report.

**13. Hold discussion and review LAFCo’s legislative intent (Gov Code Section 56001)**

Executive Officer Benoit handed out two pages of the legislative intent explaining what the legislative findings and declarations are for LAFCo. He gave a brief background and reported why it was formed, the purpose, mandates, and importance of its role in community service needs and assistance in establishing priorities.

**14. Executive Officer’s Report:**

Executive Officer Benoit reported on the Ethics Training scheduled on November 9, 2018. This training is required every two years for local elected officials and some public agency employees in California.

He reported to the Commission about a conversation with a representative of Willow Ranch in Davis Creek. They are interested in merging the cemetery and fire districts into a Community Service District. The districts alone are functioning but not financially viable. This needs to be discussed in more depth as they have different boundaries.

An update was provided to the Commissioners on the legislation. The Governor vetoed AB2258 that dealt with providing funding to LAFCo. SB606 and AB1668 deal with water conservation. There are some provisions in these bills that would apply to smaller water districts such as Cedarville or City of Alturas. They have several flaws and it is very concerning how involved the State would become with water conservation and in essence try to make the water districts become enforcement agencies. AB2019 imposes additional mandates on how healthcare districts operate and SB929 is requiring websites for districts.

**15. Commissioner Reports – None**

**16. Adjourn to the next regular meeting 4:00 PM on December 11, 2018**

There being no further business to come before the Commission. The meeting adjourned at 5:12PM.

# Modoc Local Agency Formation Commission

## CLAIMS

for

October and November 2018

Ratify the following Claims for FY 2018-2019

Nov 1, 2018	Staff Services Oct 2018	\$ 4,052.93
Oct 9, 2018	Commission Stipend Oct 9, 2018	\$ 500.00
Dec 1, 2018	Staff Svcs Nov 2018	\$ 1,803.05

**TOTAL: \$ 6,355.98**

**DATED: December 11, 2018**

**APPROVED: December 11, 2018**

**Jim Irvin, Chair Modoc Local Agency  
Formation Commission**

**Attest:**

\_\_\_\_\_  
**John Benoit  
Executive Officer**



Modoc LAFCO  
Expenditures and Revenue  
FY 2018-2019

Item	Account Number	File Scanning	Memberships	copies	postage	Communications	Office Exp.	Counsel	Staff Svcs	Clerk Costs
		mgmt	4420	6210	4211	4321	4210	4008	4004	4006
Total Budgeted 2018-2019		\$ 3,000.00	\$ 925.00	\$ 800.00	\$ 300.00	\$ 1,000.00	\$ 400.00	\$ 2,000.00	\$ 36,000.00	\$ 720.00
Calatco Dues 2018-2019			\$ (925.00)	\$ (10.00)	\$ (0.50)	\$ (105.60)			\$ (2,295.00)	
1b Staff Svcs Aug 2018				\$ (45.40)	\$ (13.38)	\$ (73.62)			\$ (3,367.50)	\$ (120.00)
Modoc Record Public Member notice										
Comm Slipend Aug 14, 2018										
Modoc Record Conflict of Interest code notice										
Staff Svcs September 2018				\$ (10.00)	\$ (0.70)	\$ (74.15)			\$ (3,187.50)	
Staff Svcs October 2018				\$ (32.80)	\$ (11.86)	\$ (97.07)	\$ (67.90)		\$ (3,537.50)	\$ (120.00)
Staff Svcs November 2018				\$ (31.00)		\$ (72.05)			\$ (1,700.00)	
meeting slipend October 9, 2018										
Total Expenditures to date		\$ (925.00)	\$ (129.20)	\$ (26.44)	\$ (422.49)	\$ (67.90)	\$ (14,087.50)	\$ (2,000.00)	\$ (21,912.50)	\$ (240.00)
Total Budget Remaining		\$ 1.00	\$ 670.80	\$ 273.56	\$ 577.51	\$ 332.10	\$ 21,912.50	\$ 2,000.00	\$ 480.00	

unaudited	July 1, 2018 City Fund Carryover	\$ 21,335.45
	18-19 Actual City/Co Contributions	\$ 22,142.19
	FY 2018-2019 City Anticipated FundsTransf	
	2018-2019 County-City Funds anticipated	\$ 44,750.60
	Funds received	
	REVENUE FOR PROJECTS	
	Interest	
	Anticipated Funds received	\$ (17,031.33)
	Less Expenditures	\$ 4,304.12
	Actual Cash Balance	

[illegible]

✓ "Change of organization"

56021. "Change of organization" means any of the following:

- (a) A city incorporation.
- (b) A district formation.
- (c) An annexation to a city.
- (d) An annexation to a district.
- (e) A detachment from a city.
- (f) A detachment from a district.
- (g) A disincorporation of a city.
- (h) A district dissolution.
- (i) A consolidation of cities.
- (j) A consolidation of special districts.
- (k) A merger of a city and a district.
- (l) Establishment of a subsidiary district.
- (m) The exercise of new or different functions or classes of services, or divestiture of the power to provide particular functions or classes of services, within all or part of the jurisdictional boundaries of a special district as provided in Article 1.5 (commencing with Section 56824.10) of Chapter 5 of Part 3 of this division).

"City"

56023. "City" means any incorporated chartered or general law city, including any city the name of which includes the word "town."

"City council"

56024. "City council" means the legislative body or governing board of a city.

"City officer"

56025. "City officer" means the mayor or a member of the city council.

"Clerk"

56026. "Clerk" means the clerk or secretary of a commission, county, city, or district, or the clerk or secretary of the legislative body of a county, city, or district. Where the office of county clerk is separate from the office of the clerk of the board of supervisors, "clerk" means the clerk of the board of supervisors. Where the office of county clerk is separate from the office of the registrar of voters, "clerk" means the registrar of voters with respect to all duties pertaining to the conduct of elections and the county clerk with respect to all other duties.

**"Disincorporation"**

**56034.** "Disincorporation" means the dissolution, extinguishment, or termination of the existence of a city and the cessation of its corporate powers, except for the purpose of winding up the affairs of the city.

**"Dissolution"**

**56035.** "Dissolution" means the disincorporation, extinguishment, or termination of the existence of a district and the cessation of all its corporate powers, except as the commission may otherwise provide pursuant to Section 56886 or for the purpose of winding up the affairs of the district.

✓ **"District" or "special district"**

**56036.** (a) "District" or "special district" are synonymous and mean an agency of the state, formed pursuant to general law or special act, for the local performance of governmental or proprietary functions within limited boundaries and in areas outside district boundaries when authorized by the commission pursuant to Section 56133.

(b) "District" or "special district" includes a county service area, but excludes all of the following:

(1) The state.

(2) A county.

(3) A city.

(4) A school district or a community college district.

(5) An assessment district or special assessment district.

(6) An improvement district.

(7) A community facilities district formed pursuant to the Mello-Roos Community Facilities Act of 1982, (Chapter 2.5 (commencing with Section 53311) of Part 1 of Division 2 of Title 5).

(8) A permanent road division formed pursuant to Article 3 (commencing with Section 1160) of Chapter 4 of Division 2 of the Streets and Highways Code.

(9) An air pollution control district or an air quality maintenance district.

(10) A zone of any special district.

✓ **Change of organization;  
principal act**

**56036.5.** (a) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4 or Part 5 (commencing with Section 57300), for each of the following entities proceedings for a change of organization shall be conducted pursuant to the principal act authorizing the establishment of that district:

(1) A unified or union high school library district.

(2) A bridge and highway district.

(3) A joint highway district.

(4) A transit or rapid transit district.

- (5) A metropolitan water district.
- (6) A separation of grade district.
- (7) For other districts, where the principal act provides, the procedures in the principal act shall supersede the procedures set forth in this division.

✓ **Non-districts**

**56036.6.** (a) For the purposes of Chapter 1 (commencing with Section 57000) to Chapter 7 (commencing with Section 57176), inclusive, of Part 4 or Part 5 (commencing with Section 57300), none of the following entities is a "district" or "special district" if the commission of the principal county determines, in accordance with Section 56127 and 56128, that the entity is not a "district" or "special district":

- (1) A flood control district.
  - (2) A flood control and floodwater conservation district.
  - (3) A flood control and water conservation district.
  - (4) A conservation district.
  - (5) A water conservation district.
  - (6) A water replenishment district.
  - (7) The Orange County Water District.
  - (8) A California water storage district.
  - (9) A water agency.
  - (10) A county water authority or a water authority.
- (b) If the commission determines that an entity described in this section is not a "district" or "special district," any proceedings pursuant to Part 4 (commencing with Section 57000) for a change of organization involving the entity shall be conducted pursuant to the principal act authorizing the establishment of that entity.

**56037.** [Repealed by Stats. 2011, Ch. 300]

✓ **"Divestiture of power"**

**56037.2.** "Divestiture of power" means the termination of the power and authority to provide particular functions or classes of services within all or part of the jurisdictional boundaries of a special district.

**"Elections official"**

**56037.5.** "Elections official" shall have the same meaning as in Section 320 of the Elections Code.

**"Executive officer"**

**56038.** "Executive officer" means the person appointed by a commission pursuant to Section 56384.

**"Feasible"**

**56038.5.** "Feasible" means capable of being accomplished in a successful manner within a reasonable period of time, taking into account economic, legal, social, and technological factors.

<b>Fee schedule</b>	(h) Pursuant to Section 56383, the commission may establish a schedule of fees for the costs of carrying out this section.
<b>Proponents pay expenses</b>	(i) All proper expenses incurred in connection with removal of territory from a city's sphere of influence pursuant to this section shall be paid by the proponents.
<b>Service reviews</b>	<b>56430.</b> (a) In order to prepare and to update spheres of influence in accordance with Section 56425, the commission shall conduct a service review of the municipal services provided in the county or other appropriate area designated by the commission. The commission shall include in the area designated for service review the county, the region, the subregion, or any other geographic area as is appropriate for an analysis of the service or services to be reviewed, and shall prepare a written statement of its determinations with respect to each of the following: <ol style="list-style-type: none"> <li>(1) Growth and population projections for the affected area.</li> <li>(2) The location and characteristics of any disadvantaged unincorporated communities within or contiguous to the sphere of influence.</li> <li>(3) Present and planned capacity of public facilities, adequacy of public services, and infrastructure needs or deficiencies including needs or deficiencies related to sewers, municipal and industrial water, and structural fire protection in any disadvantaged, unincorporated communities within or contiguous to the sphere of influence.</li> <li>(4) Financial ability of agencies to provide services.</li> <li>(5) Status of, and opportunities for, shared facilities.</li> <li>(6) Accountability for community service needs, including governmental structure and operational efficiencies.</li> <li>(7) Any other matter related to effective or efficient service delivery, as required by commission policy.</li> </ol>
<b>Written determinations</b>	
<b>Disadvantaged unincorporated communities within or contiguous to sphere</b>	
<b>Needs or deficiencies</b>	
<b>Comprehensive service review</b>	(b) In conducting a service review, the commission shall comprehensively review all of the agencies that provide the identified service or services within the designated geographic area. The commission may assess various alternatives for improving efficiency and affordability of infrastructure and service delivery within and contiguous to the sphere of influence, including, but not limited to, the consolidation of governmental agencies.
<b>Alternatives</b>	(c) In conducting a service review, the commission may include a review of whether the agencies under review, including any public water system as defined in Section 116275, are in compliance with the California Safe Drinking Water Act (Chapter 4 (commencing with Section 116270) of Part 12 of Division 104 of the Health and Safety Code). A public water system may satisfy any request for information as to compliance with that act by submission of the
<b>Compliance with California Safe Drinking Water Act</b>	



BETTY T. YEE  
California State Controller

November 6, 2018

John Benoit  
P.O. Box 2694  
Granite Bay, CA, 95746

**SUBJECT: Amended Notification of Inactive Special Districts in County**

Dear Mr. Benoit:

This is a follow-up to the letter we sent you dated October 31, 2018 (see enclosed). The State Controller's Office (SCO) discovered that some special districts were not included in the original notice sent to you on October 31, 2018 due to a coding error in our database. The enclosed document provides an amended list of the special districts within your jurisdiction that are inactive, based on financial data in each special district's fiscal year 2016-17 Financial Transactions Report. The complete list of California inactive special districts may be found here: [https://www.sco.ca.gov/ard\\_local\\_rep\\_freq\\_requested.html](https://www.sco.ca.gov/ard_local_rep_freq_requested.html).

Pursuant to Government Code (GC) 56879, within 90 days of receiving this notice, the Commission is required to initiate dissolution of inactive districts by resolution, unless the Commission determines that a district does not meet the criteria set forth in GC 56042. The Commission is required to notify the SCO if it determines that a district does not meet the criteria for dissolution in GC 56042. Once the dissolution process is complete, please notify SCO using the contact information below.

Please accept our apologies for this error. If you have questions or need to notify us of a district's status, please contact Derek Miller by phone at (916) 322-5579, or email at [dmiller@sco.ca.gov](mailto:dmiller@sco.ca.gov).

Sincerely,

PHILLIP PANGILINAN

Manager

Local Government Reporting Section

Enclosures: October 31, 2018 letter  
2016-17 County Inactive Districts List (amended)



**BETTY T. YEE**  
**California State Controller**

October 31, 2018

John Benoit  
Modoc Local Agency Formation Commission  
P.O. Box 2694  
Granite Bay, CA 95746

**SUBJECT: Notification of Inactive Special Districts in County.**

Dear Mr. Benoit:

Chapter 334, Statutes of 2017 (Senate Bill 448) added various provisions to the Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 regarding special districts that are inactive. SB 448 requires the State Controller's Office (SCO) to create a list of inactive special districts based on information in the special district's Financial Transactions Reports (FTR), publish the list of inactive special districts on its website annually, and notify a local agency formation commission in the county or counties in which the inactive special district is located.

Pursuant to Government Code (GC) section 56042, an "inactive special district" meets all of the following:

- (a) The special district is as defined in Section 56036.
- (b) The special district has had no financial transactions in the previous fiscal year.
- (c) The special district has no assets and liabilities.
- (d) The special district has no outstanding debts, judgments, litigation, contracts, liens, or claims.

Within 90 days of receiving this notice, the commission is required to initiate dissolution of inactive special district(s), unless you determine that the district(s) does not meet the criteria set forth in GC section 56042. The commission shall also notify the SCO if you determine that the district(s) does not meet the criteria set forth in GC section 56042.

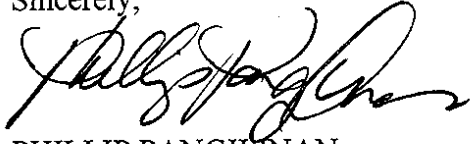
The enclosed document lists the special districts within your jurisdiction that are inactive, based on financial data in the special district's fiscal year 2016-17 FTR. The complete list of inactive special districts is found here: [https://www.sco.ca.gov/ard\\_local\\_rep\\_freq\\_requested.html](https://www.sco.ca.gov/ard_local_rep_freq_requested.html)



John Benoit  
October 31, 2018  
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If you have any questions or need assistance, please contact Derek Miller by telephone at (916) 322-5579, or by email at [dmiller@sco.ca.gov](mailto:dmiller@sco.ca.gov).

Sincerely,

A handwritten signature in black ink, appearing to read 'Phillip Pangilinan', written in a cursive style.

PHILLIP PANGILINAN  
Manager  
Local Government Reporting Section

Enclosure: 2016-17 County Inactive Districts List

**State Controller's Office**  
**2016-17 Inactive Districts for Modoc County**

County Name	District Name	District Type	Email Address	Street Address 1	Street Address 2	P.O. Box	City	Zip
Modoc	Canby Community Services District	Dependent	bsherer@frontier.net	c/o Bonnie Sherer		P.O. Box 71	Canby	96015

Note: Email Address belongs to the Financial Transactions Report preparer; in some cases this may be an outside consultant.

Government Code (GC) 53895(a) provides a penalty for the districts who didn't submit their financial reports as follows:

**(a) An officer of a local agency who fails or refuses to make and file his or her report within 20 days after receipt of a written notice of the failure from the Controller shall forfeit to the state:**

**(1) One thousand dollars (\$1,000), in the case of a local agency with total revenue, in the prior year, of less than one hundred thousand dollars (\$100,000), as reported in the Controller's annual financial reports.**

**(2) Two thousand five hundred dollars (\$2,500) in the case of a local agency with total revenue, in the prior year, of at least one hundred thousand dollars (\$100,000) but less than two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.**

**(3) Five thousand dollars (\$5,000) in the case of a local agency with total revenue, in the prior year, of at least two hundred fifty thousand dollars (\$250,000), as reported in the Controller's annual financial reports.**

**(b) (1) Upon the request of the Controller, the Attorney General shall prosecute an action for the forfeiture in the name of the people of the State of California.**

**(2) Upon a satisfactory showing of good cause, the Controller may waive the penalties for late filing provided in this section.**

**MODOC LAFCO**  
**2019 Regular Meeting Schedule**

**February 12, 2019**

**April 9, 2019**

**June 11, 2019**

**August 13, 2019**

**October 8, 2019**

**December 10, 2019**

Regular meetings of the Commission are scheduled for the second Tuesday of every other month at 4:00 p.m. in the City Council Chambers, 200 North Street, Alturas, California. The Commission may, at its own discretion, meet at a different time or place from time to time, provided that public notice of such time and place is given in accordance with the Ralph M. Brown Act, Government Code Section 54954 et. seq. and applicable provisions of the LAFCO Act.